

COMMUNITY DEVELOPMENT PLANNING GUIDE



PRESENTED BY

UNITED STATES SENATOR

TIM JOHNSON



A Message From
TIM JOHNSON

United States Senate

Washington, DC 20510

1-800-537-0025

I commend you for your initiative and dedication to creating new opportunities in your community. Economic and community development endeavors represent long term commitments, and I am hopeful that you will achieve success.

I have always been a firm believer that local problems are best solved by those individuals who are closest to the situation. However, there are certain circumstances when the federal government may be able to provide assistance to local communities in terms of resources, information, or advocacy.

Your enthusiasm to invest in the future of your community is the foundation of keeping rural communities alive. Individuals like yourself, who work to improve their communities, help our state develop new opportunities, growth, and prosperity. The success of our communities is rooted in the many innovative people who contribute their talent and determination toward collective goals.

I look forward to working with you toward strengthening your community and enhancing the quality of life for South Dakota families.

Best wishes to you in these endeavors.

Tim Johnson
United States Senator

background

Availability of funding

Efforts to balance the budget have impacted nearly all areas of federal funding. In recent years, funding for many programs has been reduced or even eliminated, and there remains considerable scrutiny of federal spending programs.

Other efforts have focused on decentralizing the grant process. Many in Congress advocate giving greater authority and flexibility to the states. The result is an increase in Block Grants awarded to the states. States receive funding based on formulas and distribute the funds to eligible projects.

The federal government has reduced funding for many grant programs. In some instances, direct loans, and often guaranteed loans, may be available to support projects. When grants are available, they almost always require a local match. The reality of smaller government, less taxes, and balanced budgets, is a more 'do it yourself' environment. While considerable opportunity remains to attract federal assistance in community development initiatives, the application process for existing grant programs has become more competitive.

Significant funding sources

Rural development funds administered by USDA remain a significant source of project financing for South Dakota communities. Loan and grant programs provide a range of support to assist with economic and community development initiatives. The programs help rural areas to pursue efforts that will enhance the quality of life in rural America.

Economic Development Administration funds remain in short supply, but are an option for some communities. The planning districts work with EDA to identify viable projects in communities. These communities can apply for Public Works Grants that support job-creating infrastructure.

Community Development Block Grants are the most flexible type of funds. The federal government allocates substantial funding to states, who in turn help communities address their unique needs. The Governor of South Dakota determines how this money is spent, and his office receives numerous requests for these funds.

"I've prepared this information packet in an effort to help South Dakotans develop meaningful proposals and maximize their potential for success. With more and more entities competing for scarce funding opportunities, we must work together to ensure our communities prosper."

-- Senator Tim Johnson

frequently asked questions

Can I get a grant?

Grant funding is limited and applications for grants are very competitive. Many projects which are not eligible for grants might qualify for loan programs. To develop a successful application you should quantify a specific need(s), construct a detailed plan to address the needs identified, and involve additional partners to pursue the goals of the plan.

Will a grant fund the entire program?

Usually not. Most grant programs require a local match of 20-50 percent from the local entity applying for the grant. Your community will need to provide financial support for initiatives.

Who is eligible for grants?

There are no grants available to directly fund a for-profit business. Commonly, grants are administered to local governments and non-profit organizations, including local economic development corporations.

How can I improve my application for funding?

Convey and quantify information that asserts the existence of a fundamental need, and demonstrate that implementing the proposal will alleviate existing obstacles. Include specific numbers concerning local income, poverty, unemployment, and other figures that may reinforce the significant needs of the community. When pursuing economic development projects, identify specific job creation numbers.

Describe the level of local support. Identify entities and organizations involved in the project, as well as the resources they bring to the effort.

How can I learn about grant programs?

Federal agencies publish detailed information about programs, eligibility, application deadlines, and funding parameters in the Federal Register which may be available at your local library and is published on the internet (<http://www.access.gpo.gov/nara/index.html>).

One of the most common mistakes people make is to look for grant programs and then work to create an application to seek the funds. Time and again, successful applications for funding are developed by first identifying a need, creating a thoughtful plan to address the problem, and generating broad-based local support for the initiative.

How can Senator Johnson help with our application?

Senator Johnson is deeply committed to helping South Dakotans develop new opportunities and improve their quality of life. He can work with you to emphasize the goals of applications, schedule meetings with federal officials, and provide answers to specific questions about programs and applications.

Senator Johnson is a persuasive advocate for South Dakota initiatives. Ultimately, however, it is essential that federal programs be administered fairly and effectively, and all proposals must be judged on their own merits.

resource list

Senator Tim Johnson

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(202) 224-5842

toll-free from anywhere in South Dakota:
1-800-537-0025

Senator Tim Johnson
PO Box 1554
Aberdeen, SD 57402
(605) 226-3440

Senator Tim Johnson
PO Box 1098
Rapid City, SD 57709
(605) 341-3990

Senator Tim Johnson
PO Box 1424
Sioux Falls, SD 57101
(605) 332-8896

USDA Rural Development
200 4th St SW
Huron, SD 57350
(605) 352-1100

Economic Development Administration
102 4th Ave SE
Aberdeen, SD 57401
(605) 226-7315

Small Business Administration
110 S. Phillips Ave, Ste 200
Sioux Falls, SD 57104
(605) 330-4231

Department of Housing and Urban Development
2400 West 49th St
Sioux Falls, SD 57105
(605) 330-4223

Governor's Office of Economic Development
711 East Wells Ave
Pierre, SD 57501
(605) 773-5032

Public Utilities Commission
Capitol Building, First Floor
500 East Capitol Ave
Pierre, SD 57501
(605) 773-3201

South Dakota Department of Tourism
700 East Broadway Ave
Pierre, SD 57501
(605) 773-3265

South Dakota Department of Social Services
700 Governors Dr
Pierre, SD 57501-2291
(605) 773-3165

Department of Tourism
Capitol Lake Plaza
711 East Wells Ave
c/o 500 East Capitol Ave
Pierre, SD 57501
(605) 773-3301

developing your plan

Every community and every project is unique. As you pursue funding sources in support of your initiatives, it is advantageous to prepare a detailed plan to specifically identify criteria that demonstrates the impact of the project. In general, information should detail the need, cost, and implications of the proposal. A competitive proposal will clearly demonstrate that significant barriers will be overcome to enhance the quality of life in the participating communities.

[1] Provide data about the needs of the community:

- a]** population _____
- b]** mean income _____
- c]** poverty statistics _____
- d]** unemployment _____
- e]** outmigration _____
- f]** crime and/or delinquency problems _____
- g]** lack of essential services _____
- h]** obstacles to enhancing the quality of life in the community _____

[2] Explain how the project addresses the needs of the community:

- a]** Who will be served by this initiative?
 - children
 - senior citizens
 - rural residents
 - low income families
 - handicapped or disabled people
 - economic development
 - other _____

- b]** What is the impact of implementing this initiative? _____

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[3] Prepare a budget to identify the costs associated with this project:

a] start-up costs:

- construction \$ _____
- rent \$ _____
- equipment and supplies \$ _____
- personnel \$ _____
- other \$ _____

total start-up costs: \$ _____

b] phases of the project:

- phase I \$ _____
- phase II \$ _____
- phase III \$ _____

total cost for all phases: \$ _____

c] long-term maintenance costs: \$ _____

TOTAL OF ALL COSTS: \$ _____

[4] Indicate the depth and sincerity of community support:

a] Who supports this initiative?

- economic development board _____
- civic organizations _____
- service providers _____
- businesses _____
- regional, state, or federal entities _____
- elected officials _____
- individuals _____
- other supporters _____

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b] Identify the funding and in-kind commitments made by supporters:

i] resources already invested

- cash on hand \$ _____
- donations \$ _____
- purchases \$ _____
- in-kind contributions \$ _____

total resources already invested: \$ _____

ii] commitments from sponsors

- _____ \$ _____
- _____ \$ _____
- _____ \$ _____

total commitments from sponsors: \$ _____

iii] commitments from officers, board members, etc.

- board of directors \$ _____
- executive officer \$ _____
- others \$ _____

total commitments from participants: \$ _____

TOTAL OF ALL
COMMITMENTS AND RESOURCES: \$ _____

[5] Overall financial picture of the initiative:

total cost of the proposal (*from section three*) \$ _____

total local contribution (*from section four*) \$ _____

amount of grant request (*proposal cost - local contribution*) \$ _____

ratio of local contribution to grant request local _____% grant _____%

[6] Additional information which illustrates the project's significance to the community: _____
